

MEMORANDUM FOR (see Distribution Listing)

SUBJECT: DLA's Role in Implementation of the U.S. Army Single Stock Fund (SSF) Initiative

The SSF is a Department of the Army business process reengineering initiative to improve the Army's logistics and financial processes in the Army Working Capital Fund, Supply Management Army (AWCF-SMA) business area. It will merge current retail and wholesale stock fund operations into an Army nationally-managed, revolving fund under the auspices of the U.S. Army Materiel Command. The SSF Initiative will streamline current operations, which are suffering from inefficiencies, including multiple points of sale and credit, multiple ledgers/billing accounts, and duplicative automated systems managing the same inventory. The Army budgeting process will become more efficient, resulting from SSF implementation.

In May 1999, the U.S. Army SSF Executive Steering Committee (ESC) approved excluding from the SSF those non-Army managed items (NAMI) which are managed by systems other than the Standard Army Retail Supply System (SARSS) and the Army Materiel Command Installation Supply System (AMCISS). Subsequently, the Program Manager for the SSF Initiative sent a letter to the Director, requesting DLA "begin the planning process to take ownership of DLA-managed stocks" in Class II (Individual Equipment), Class II (Petroleum, Oils, & Lubricants), and Class VIII (Medical Supplies). Class I (Subsistence) and Class IV (Construction Materials) are also DLA-managed and are excluded from the SSF.

Several aspects of this aggressive initiative will directly impact DLA and components of DLSC. Briefly, Army supply transactions currently flow from multiple user sites through an Army retail stock fund activity to DLA Inventory Control Points. When the SSF is demonstrated in April 2000 and fully implemented in October 2000, the flow of Army requisitions to DLA will be direct. NAMI requisitions will go to the DLA source of supply from all customers not supported by an installation Director of Logistics (DOL). With the elimination of the retail stock fund "middleman," the Army expects to gain greater clarity in O&M customer requirements. To ensure mutual supportability, we believe there are detailed aspects of SSF implementation that require identification and aggressive action by many DLA employees.

To facilitate DLA's role in implementation of the Army's SSF Initiative, I have chartered an IPT and tasked the team to work this issue. The attachment to this memorandum is the IPT's charter. Please review the charter carefully and designate your IPT member(s) by 30 September 1999. The SSF IPT project officer is: Lt Col Lana Rosales, USAF, HQ DLSC-BR, DSN 427-3548, Commercial 703-767-3548, E-mail <lane_rosales@hq.dla.mil>.

There may be issues you have worked, supporting SSF implementation. Please prepare your team representative to articulate those activities for the IPT, ensuring no duplicate efforts. Our challenge is to assume ownership of DLA-managed stocks to the point of customer requisition release and assist the Army with potentially significant increased costs associated with numerous O&M customer requisitions. We have an ambitious schedule to meet, supporting the October 2000 SSF Initiative implementation. I know each of you will dedicate your best efforts to mutual success for the Agency and the Service.

/signed/
D.H. Stone
Rear Admiral, SC, USN
Commander